

Communications Plan U.S. EITI Outreach 2014-2015

Background

The U. S. candidacy application for EITI was accepted on March 19, 2014. As a result, the Multi-Stakeholder Group (MSG) is now in the process of meeting the criteria to achieve “Compliant Status.” These criteria include selection of an independent third-party reconciler (with the Department of Interior) and preparation of the first U.S. report. An integral part of the process is public outreach to encourage industry involvement in the EITI process, encourage the states and U.S. tribal governments to participate in the process, keep Congress informed on U.S. implementation efforts and educate all stakeholders about the benefits of U.S. implementation of EITI.

The following provides a summary communication plan to support the outreach sessions and continue to build awareness of EITI efforts in the United States. This is a living document that will be amended as per MSG direction.

Key Messages

- Reaching out directly to reporting companies
- Increased Transparency
- Greater Accountability
- Good for Government, Industry, Citizens
- Another important tool to fight corruption
- Encouraging participation by industry
- Encouraging participation by states and tribal governments

Key Audiences

- Reporting Companies
- Congress
- News Media/Trade Press
- Stakeholders such as non-profit organizations, citizens, academics
- State governments
- Tribal and native groups
- Industry

Plan Elements

- Create individual action plans for implementing the communications plan with respect to individual key audiences, including letters to reporting companies, tribal leaders, state governors and industry subject to reporting
- Revise EITI general “Fact Sheet” to reflect acceptance of candidacy application
- Clarify opt-in process for states, finalize memos to state governments and develop list of relevant staff to contact directly
- Revise powerpoint presentation to reflect acceptance of candidacy and offer better examples of the benefits for subnational participation
- Develop and issue press releases announcing – 1) acceptance of candidacy application and next steps, 2) publication of request for proposals for independent administrator, 3) selection of independent administrator
- Meet with Congressional staff in relevant committees and personal staff of relevant committee members; meet with Congressional Research Service
- Develop list of relevant trade associations, academic organizations and think tanks, non-profit organizations and other stakeholder entities that could provide a forum for discussing USEITI
- Develop list of potential speaking opportunities at conferences involving trade associations, state government representatives, tribal government representatives, academics, non-profit organizations, etc.
- Identify speakers for potential opportunities
- Identify journalists who cover energy-related issues and offer briefings

List of Relevant Entities **NOTE: This list will be amended as organizations are identified**

Federal

- Cabinet
- STRAC
- Open Government Working Groups
- Interagency Policy Committee

States

- Governors
- National Governors’ Association
- National Association of State Auditors, Comptrollers and Treasurers
- State and Tribal Royalty Committee
- National Association of State Treasurers
- Federation of Tax Administrators
- Western States Land Commissioners Association
- Western Governors’ Association

Tribal and Native Groups

- Nation Congress of American Indians

- Alaska Federation of Natives
- Navajo nation
- Council of Energy Resource Tribes
- Tribal Self-Governance Advisory Committee
- Affiliated Tribes of Northwest Indians (ATNI)
- Great Plains Tribal Chairman's Association
- Midwest Association of Sovereign Tribes (MAST)
- United South and Eastern Tribes (USET)
- All Indian Pueblo Council
- Inter-Tribal Council of Arizona

Industry Organizations

- Reporting Companies
- Companies impacted by unilateral disclosure
- National Mining Association
- Independent Petroleum Association of America
- American Petroleum Institute
- Industry Trade Publications
- US Chamber of Commerce

Civil Society Organizations

- Commonwealth Institute
- Institute of Energy, Economics and Financial Analysis
- Kentucky Center for Economic Policy
- Mountain Association for Community Economic Development
- Multi-State Shale Research Collaborative
- West Virginia Center on Budget & Policy
- Publish What You Pay
- EITI Supportive Investor Organizations

Timeline NOTE: This timeline will be amended as events are identified

March 2014 – March 2015

March – April 2014

- Adopt communications plan
- meetings with staff of Senate Committee on Energy and Natural Resources
- meetings with personal staff of relevant Senate and House committee members
- meeting with Congressional Research Service

May 2014

- May 28-30, Northern Regions Mining Summit, Vancouver, BC
- May 4 – 7, Tribal Self-Governance Advisory Council Conference, Arlington, VA

- Government and Industry work together on communication plan for reporting companies

June 2014

- June 8-11 National Congress of American Indians (NCAI) Mid-year Conference, Anchorage, AK
- October 26 – 31, NCAI 71st Annual Convention, Atlanta, GA

July 2014

- National Governors' Association (July 10-13 Nashville, TN)
- Issue press release on selection of Independent Administrator
- EIA Conference, Washington DC (July 14-15)

October 2014

- Oct. 26-31, NCAI 71st Annual Convention, Atlanta, GA

February 2015

- Feb. 23-25, NCAI Executive Council Winter Session, Washington, DC
- March 2015, Sera Conference

Talking Points

- The EITI is a voluntary global initiative under which governments publicly disclose their revenues from oil, gas and mining assets, companies make parallel disclosures regarding payments, and an independent third party administrator reconciles the two figures in a public report that includes a description of any discrepancies.
- In addition to increased transparency, EITI strengthens accountability, empowers citizens, and adds another tool to fight corruption.
- In September 2011, President Barack Obama announced the United States' commitment to participate in EITI.
- In December 2012, the Department of the Interior appointed primary and alternate members to a Multi-Stakeholder Group (MSG), composed of representatives from government, extractive industries, and civil society, to guide and oversee implementation of the initiative.
- In December 2013, the Department of Interior submitted a Candidacy Application, developed by the MSG, to the International EITI Secretariat.
- The Candidacy Application was approved on March 19, 2014. The United States has to prepare its first EITI report by March 19, 2015 and its second EITI report by March 19, 2016.

- These reports will aim to serve as a comprehensive and readily understandable guide to the extractive industries in the United States. They will present a contextual background of the extractive industries in the United States, a unilateral disclosure of all extractive revenue received by the Department of the Interior, and the independent administrator's reconciliation of industry payments to the U.S. government that fall within certain scope and materiality thresholds.
 - Scope: oil; gas; coal; other leasable minerals, non-fuel minerals (hard rock, sand & gravel); geothermal; other renewables (solar/wind)
 - Materiality: A company is included if the parent, together with its subsidiaries, make total annual payments to DOI of \$50 million or more (approximately 80% of ONRR revenues).
- The MSG is committed to working with all U.S. stakeholders and the public to develop a transparent, collaborative USEITI process.

The MSG believes the USEITI will provide benefits to all constituencies, directly and indirectly.

- It will highlight industry's contribution to the economy at the Federal, state, and local levels.
- It strengthens relationships among the U.S. government, industry and civil society.
- It provides access to reliable and easily accessible information that can be used to hold the government and stakeholders to account.
- EITI strengthens governance by improving transparency and accountability in the extractive sector.
- Increased transparency can help governments in the tax collection process and create enhanced trust
- Increases the public's awareness and understanding of how extractive revenues are collected and disbursed
- By enhancing accountability, it facilitates the full and fair return to the American people for the use of their public resources

In the international arena, implementation in the United States can benefit U.S. companies and citizens.

- It helps create a level playing field globally and a more stable investment climate, which encourages long-term investment in production and improves the reliability of supplies
- It adds another tool to fight corruption among foreign governments, which adversely affects not only the local citizens but also U.S. companies and citizens through higher prices, less availability, unstable governments.

Potential Questions and Answers

What is the EITI?

EITI is a voluntary, multi-national framework for transparency in reporting revenues paid and received for oil, gas and mineral extraction. There are 25 countries which comply with all the EITI standards and 19 countries that are in the candidate stage (including the United States).

The design of each EITI framework is country-specific, and is developed through a multi-year, consensus-based process by a multi-stakeholder group (MSG) composed of representatives from government, industry and civil society.

What are the benefits to the U.S. of adopting EITI?

EITI is beneficial to the United States because it:

- It will highlight industry's financial contributions to the U.S. Government, including the revenues generated by royalties, rents and bonuses.
- It strengthens relationships among the U.S. government, industry and civil society.
- It provides access to reliable and easily accessible information that can be used to hold the government and stakeholders to account.
- EITI strengthens governance by improving transparency and accountability in the extractive sector.
- Increased transparency can help governments in the tax collection process and create enhanced trust
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In the international arena, implementation in the United States can benefit U.S. companies and citizens. It reinforces U.S. global leadership in securing concrete commitments from governments to promote transparency, increase civic participation, fight corruption, and harness new technologies to make government more open, effective and accountable.

- It helps create a level playing field globally and a more stable investment climate, which encourages long-term investment in production and improves the reliability of supplies
- It adds another tool to fight corruption among foreign governments, which adversely affects not only the local citizens but also U.S. companies and citizens through higher prices, less availability, unstable governments.

How much does the government gain in revenue from the extractive industries?

The U.S. is a major developer of natural resources. The U.S. collects on average approximately \$10 to \$12 billion in annual revenues from the development of oil, gas and minerals on Federal lands and offshore in the Outer Continental Shelf. The bulk of these revenues are disbursed to the U.S. Treasury, with smaller portions distributed to five Federal agencies, more than 30 states, 41 American Indian tribes, and approximately 30,000 individual mineral owners.

What Federal agencies are involved in EITI?

The USEITI interagency team is composed of representatives from the White House and the Departments of Interior, State, Treasury, Energy and Commerce.

Why is DOI the lead?

Given the significant role that the Department of the Interior plays in collecting revenue for resource extraction on Federal lands through the Office of Natural Resources Revenue, the President named the Secretary of the Interior as the U.S. senior official responsible for implementing the USEITI

What is the Multi-Stakeholder Group (MSG) and its role?

The MSG is comprised of representatives from government, industry and civil society, and will oversee the design and implementation of the USEITI, up to and including the ultimate attainment of EITI compliance.

Where are we in the process to implement EITI?

The U.S. government has successfully completed the initial requirements for EITI candidate status and the Candidacy application has been accepted by the International EITI. The next step is to appoint an independent administrator to gather relevant data, reconcile industry payments and government receipts and prepare the USEITI reports.

When will USEITI reports be issued?

The first report will be issued in December 2015 and the second in December 2016.

How are the States affected by EITI?

EITI requires reporting of sub-national revenues. Due to the significant practical barriers resulting from the size and complexity of the state extractive sector, USEITI reporting will implement this requirement in two phases. In the first phase, publically-available information about state extractives revenue collection will be included in USEITI report, as well as information about transfers from the federal government to the states. In the second phase the MSG will encourage states to fully participate in USEITI through a voluntary “opt-in” process.

How are Tribal nations affected by EITI? Will you have Tribal consultations?

ONRR collects some revenues on behalf of American Indian Tribes and individual Indian mineral owners, which is currently part of the overall reporting system. Companies doing extraction may also have direct relationships with Tribes on issues of leasing, reporting and other activities. Tribal engagement in EITI will be a matter of ongoing Tribal outreach and information sharing, as well as consultation with Tribes as Sovereign Nations to determine whether and how they would like to participate.

Whom do you consider to be stakeholders of USEITI?

USEITI stakeholders include members of industry, civil society, federal government agencies, state and local governments, Tribes, and U.S. citizens.

How does USEITI differ from Dodd-Frank 1504?

EITI is a voluntary, consensus-based decision-making process that includes company and government disclosure, whereas Section 1504 of the Dodd-Frank Wall Street Reform and Consumer Protection Act is mandatory national legislation and only requires disclosure by companies subject to SEC regulation.

Reporting under USEITI applies only to domestic U.S. payments, while Dodd-Frank 1504 applies to payments to the U.S. and foreign governments. In addition, USEITI applies to all extractive industries, while Dodd-Frank 1504 applies only to those in the oil, gas and mining sectors.